

JAY INSLEE
1ST DISTRICT, WASHINGTON

COMMITTEE ON RESOURCES
FORESTS AND FOREST HEALTH
RANKING MEMBER
WATER AND POWER

COMMITTEE ON FINANCIAL SERVICES
CAPITAL MARKETS, INSURANCE AND
GOVERNMENT-SPONSORED ENTERPRISES
OVERSIGHT AND INVESTIGATIONS

Congress of the United States
House of Representatives
Washington, DC 20515-4701

21905 64TH AVENUE WEST, #101
MOUNTLAKE TERRACE, WA 98043-2278
(425) 640-0233
FAX: (425) 776-7168

17791 FJORD DRIVE, NE, DOOR 112
POULSBORO, WA 98370
(360) 598-2342
FAX: (360) 598-3650

308 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4701
(202) 225-6311
FAX: (202) 226-1606

JAY.INSLEE@MAIL.HOUSE.GOV

WWW.HOUSE.GOV/INSLEE

June 18, 2004

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear President Bush:

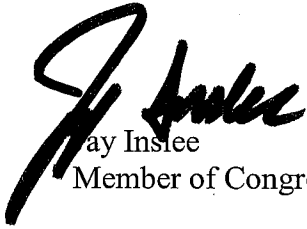
On the occasion of your visit to Washington State, we are writing to ask for your support for our efforts in the U.S. House of Representatives to secure relief for Northwest ratepayers gouged by Enron. We are sure Washingtonians would welcome your encouragement for action that would lower their energy bills.

As you are aware, the Federal Energy Regulatory Commission (FERC) concluded in 2003 that Enron fraudulently manipulated the energy market. Alarming, FERC has also concluded that it has limited or no authority to provide refund and rate relief for Enron's actions prior to June 25, 2003, when FERC revoked Enron's market-based rate authority. This is an absurd proposition, since it assumes that companies could criminally manipulate the market, but the federal government would not have the authority to act or provide refunds prior to when they discovered the crime was occurring. Since FERC will not exercise its authority, we offered an amendment last week to move back the date from which consumers can be reimbursed for Enron's price manipulation, and to help public utility districts get relief from their long term contracts with Enron. The Majority Party denied a vote on this amendment, but with your support we might compel Congress to act on legislation that addresses Enron's market gaming.

You are no doubt familiar with this issue; during the 2000-2001 energy crisis, we and several other Members of Congress implored FERC and your Administration to impose price caps on the energy companies who were plainly gouging our constituents. Despite the self-evident fact that such activity was occurring during the energy crisis, FERC and your Administration repeatedly sided with Enron and other producers in opposing price caps. As a result, Northwest consumers are still paying the price. Setting a reasonable date for revocation of the authority that allowed Enron to engage in such fraudulent transactions, and imposing firm penalties on energy market manipulators will send a message that this behavior will not be tolerated, and help regain much of the Commission's lost credibility.

Washington State consumers will be very appreciative of a vigorous enforcement of federal law on this matter. Federal law cannot allow former Enron chairman Kenneth Lay and his cronies to cause such economic damage on the West Coast of United States. In particular, individuals in Snohomish County would welcome your encouragement for our efforts to prevent Enron from collecting \$122 million dollars from the Snohomish PUD for a canceled contract.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Inslee".

Jay Inslee
Member of Congress

A handwritten signature in black ink, appearing to read "Rick Larsen".

Rick Larsen
Member of Congress